

September 3, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

933

Dear Chairman Wheeler:

I write to emphasize to the Federal Communications Commission (FCC) the importance of its final rules for Phase II of the Connect America Fund (CAF II). Bringing broadband to unserved households and businesses in Missouri is critical to rural development.

In 2011, the FCC undertook a monumental transition of the Universal Service program for many rural areas from telephony to broadband. I applaud the Commission for this effort. However, over the last several years, I have observed challenges the FCC faced implementing this transition as the rules have not always corresponded to real-world situations. Because CAF II represents the final phase of Universal Service reform for many rural areas, it is critically important the FCC heed the advice of local communities and stakeholders to ensure its rules for CAF II are practical, accountable, and targeted in order to extend broadband service where it does not already exist.

The FCC's June 10th CAF II order and further notice of proposed rulemaking contemplates a number of changes – the details of which will likely determine the success of CAF II in Missouri, and across the country. Specifically, adopting a 10 Mbps download speed for CAF II support should be accompanied with a 10 year funding period to allow adequate time for construction. Moreover, the FCC needs to allow flexibility in final build out plans to account for specific situations that may not be amenable to a one-size-fits-all approach. Lastly, it is essential that the Commission ensure these limited funds are targeted to rural, unserved households and businesses.

Households and businesses in Missouri stand to benefit from CAF II if it is implemented correctly. I strongly urge the Commission to reconcile its rules for CAF II with the practical challenges of building broadband to unserved areas. It is imperative to close the digital divide between rural and urban America, and the FCC must seize CAF II as an opportunity to do so.

Sincerely,



Roy Blunt
United States Senator



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

The Honorable Roy Blunt
United States Senate
260 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Blunt:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

I agree with you that it is imperative to close the digital divide between rural and urban America. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experience to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

In April, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Phase II of the Connect America Fund for price-cap carriers. In addition, in an associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues you raise, including revising the current broadband performance obligations to require minimum speeds of 10 Mbps downstream and applying the same performance obligations to all recipients of Phase II support and to rate-of-return carriers. The *FNPRM* also seeks comment on a proposal to allow CAF II recipients more flexibility in meeting their performance obligations, such as the ability to substitute locations in partially-served census blocks for locations in the unserved census block for which it received support. The record on these issues just closed and is under consideration by Commission staff.

One final step in the process before we can complete CAF II, which your letter references, is that we must finalize the list of census blocks that are eligible for support. We recently initiated the CAF II challenge process and received a total of 178,335 challenges from parties challenging the served/unserved status of a census block. Commission staff is currently reviewing these challenges, and we recently released a Public Notice giving parties 45 days to comment on these challenges. We intend to make sure that a fair challenge process is conducted to ensure that all eligible unserved areas qualify for funding.

We expect a robust record on these topics and I welcome a dialogue with stakeholders as to how best to accomplish our shared objectives. I look forward to working with you as we continue reforming and modernizing the universal service fund high-cost program – as well as other components of the Universal Service Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized flourish extending from the end.

Tom Wheeler